THE MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS (SHRI SONTOSH MOHAN DEV): (a) No, Sir. However, services of R. I. convict K. H. Larkins were utilised to teach basics of English and General knowledge to the young prisoners.

(b) Does not arise.

(c) No, Sir.

(d) The Government have decided to take up the matter about mobilising and involving prison management staff in imparting functional literacy to adult illiterate convicts and under-trial prisoners in jails with the State Govts. and Union Territory Administrations.

World bank loans

1674. SHRI PRAMOD MAHAJAN: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government retain 30 per cent of world Bank loans though they are meant for specific projects;

(b) if so, what are the reasons for such a decision and which are the projects affected due to this decision and what is the total amount retained by the Central Government during the last three years;

(c) whether Government propose to revise the policy and pay the entire loan amount for the concerned projects without any cut or retention; and

(d) if so, what are the details thereof and if not, what are the reasons therefor?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) to (d) Government of India have a well defined arrangement for transfer of resources from the Centre to States. The Finance Commission determines the norms of devolution of funds from Centre tax receipts to state revenue every five year. The developmental plans of the States which include all externally aided projects are assisted through central assistance the bulk of which is distributed on the basis of what is generally described as the revised Gadgil formula. In determining the total resources for the country's plan, foreign assistance received is taken into account. The central assistance distributed to States therefore already takes into account the total foreign aid received. Consequently, the Central assistance to any foreign aided project is more than what is reflected through the 70 per cent additional central assistance on account of externally aided projects.

Project-wise details of the additionality released to State Government during the last 3 years are enclosed. [*See* appendix CXLVII, Annexure No. 68].

Considering all aspects of the case, it has been decided to continue the existing policy for the present.

Setting up of a security paper mill at Vadodara, Gujarat.

1675. SHRI VITHALBHAI M. PATEL: Will the Minister of FINANCE be pleased to state:

(a) whether there is any proposal under Government's consideration to set up a New Security Paper Mill at Vadodara in Gujarat;

(b) if so, what are the details in this regard; and

(c) by when work will start on this project?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) No, Sir.

(b) and (c) Does not arise.